

No. 21105

In the

**United States Court of Appeals
For the Ninth Circuit**

RPTZ-PATCO, INC.,
*Appellant and
Cross-Appellee,*

v.

PACIFIC INLAND NAVIGATION COMPANY, INC.,
*Appellee and
Cross-Appellant.*

APPELLEE'S BRIEF

Appeal from the United States District Court
for the District of Oregon

HON. JOHN F. KILKENNY, Judge

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APPELLEE'S BRIEF

STATEMENT OF JURISDICTION

Appellee accepts appellant's statement of jurisdiction
(Br 2).¹

STATEMENT OF THE CASE

The case involves alleged infringement of U.S. Pickrell patent No. 3,033,150 by Pacific involving, specifically, three combination petroleum and dry cargo barges operated on the Columbia River and its tributaries. The appeal involves only the question of validity of the said patent. 35 USC § 103

1. As hereinafter used, references to Appellant's Brief are indicated by "Br"; references to the Clerk's Transcript of the Record are indicated by "C.T."; references to the Reporter's Transcript are indicated by "R.T."; and references to Plaintiff's and Defendant's exhibits are indicated by "PX" and "DX", respectively.

“§ 103. *Conditions for patentability; non-obvious subject matter*

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made. July 19, 1952, c. 950, § 1, 66 Stat. 798.”

The patent relates to steel barges for carrying combination dry cargo in an upper V-shaped cargo space and petroleum products such as gasoline in tanks below the V-shaped dry cargo space. The two cargoes in the patent are separated by a continuous V-shaped cofferdam. A cofferdam is a double wall with a void space between.

For the Court's convenience, claim 11 is quoted as a typical claim:

“11. A cargo vessel having plural cargo holds in superposed relation, comprising a hull with a deck thereover, sides and a bottom, an elongated cofferdam extending transversely of said hull and along a substantial portion of the length thereof separating said cargo holds from each other, said cofferdam comprising imperforate upper and lower plating elements defining a non-cargo chamber between them, said cofferdam being generally of V-shaped conformation in transverse section, having sloping

sides converging toward each other adjacent the bottom of the hull and diverging to points adjacent the joinder of the deck with both sides of the hull, said cofferdam having access means opening into the non-cargo chamber therein from the area above the deck to permit inspection of said non-cargo chamber independent of the loading of either or both of said holds."

The trial court found as a fact the combination claimed was obvious in accordance with the language of Section 103.

In order for the Court to understand the appellee's position, certain historical facts are important. Multiple cargo vessels (including, of course, barges) were not new nor were vessels where the two cargo compartments were separated by a void space or cofferdam.

In 1934 L. S. Baier, a shipbuilder, with the assistance of one Lew Russell, Jr., designed a welded tank barge, the UMATILLA (R. T. 406). It was specifically designed for use on the Columbia River for carrying oil and grain, the grain being carried in a house above, the petroleum products below in the lower hold of the barge (R. T. 407). The barge was built and placed into operation by Shaver-Tidewater Company (R.T. 408).² The grain house of the UMATILLA and the lower petroleum hold

2. The relationship of Shaver-Tidewater Company to PATCO and the relationship of other barge operators to Shaver-Tidewater and PATCO will be subsequently discussed.

were separated by a cofferdam. There was in this barge a sump area for the collection of wheat in order to facilitate its unloading (R.T. 407). Manholes were constructed to provide access to the cofferdam which were accessible and visible throughout (R.T. 409). In other words, the voids were accessible and vented. The cofferdam was designed and built pursuant to regulations of the Bureau of Marine Inspection³ requiring a cofferdam between the petroleum tanks and a dry cargo. The reason why a V-shaped wheat or grain container with a cofferdam—the principal claim of the patent in suit—was not designed at that time (1934) was a practical one as the existing channel of the Columbia River was of insufficient depth to permit a deeper draft barge (R.T. 412). Although contemplated the multiple dam system for the Columbia River with its attendant locks had not then been constructed.

The UMATILLA was equipped with fluid-tight bulkheads dividing the liquid cargo space into a series of compartments. The cofferdam had transverse bulkheads co-extensive with the bulkheads of the liquid cargo carrying spaces. The transverse bulkheads fore and aft extended completely across the barge (R.T. 412-413). There were screw conveyor troughs in the dry cargo compartment.

3. At this time the Coast Guard had not yet assumed the duties of the United States Bureau of Marine Inspection.

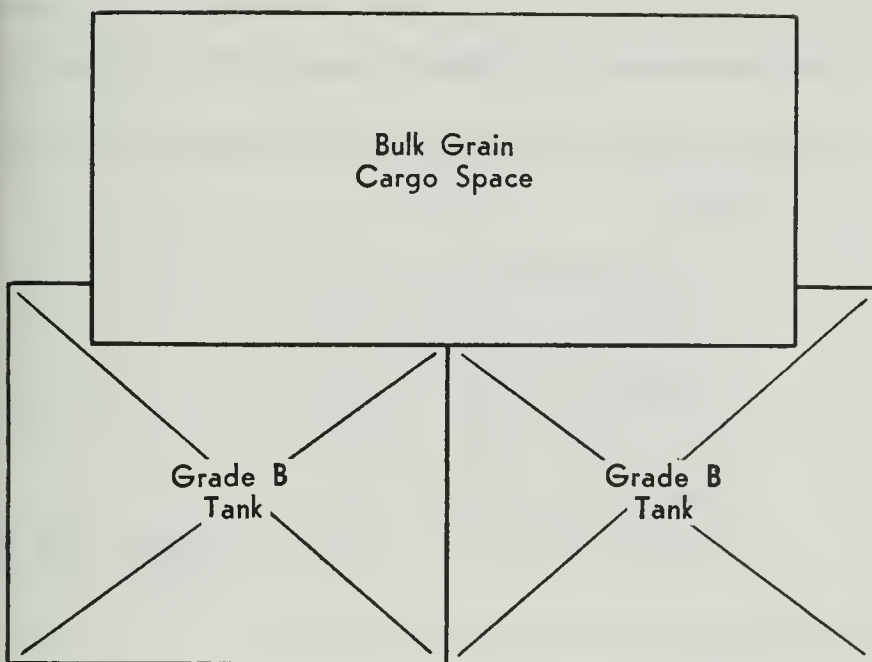
Significantly, the cofferdam in the original UMATILLA drawings was not of sufficient height to meet the Bureau's requirements. The original drawing for the barge UMATILLA with the legend "Additional Cofferdam Arrangement" is DX 53-1.

Following the UMATILLA, Inland Navigation Company, one of Pacific's predecessors, in 1941 and 1942 submitted for approval certain plans for the conversion of its Barge 503 to a dual capacity steel barge for use on the Columbia River (Deposition of Captain Emery H. Joyce, Officer in Charge of Marine Inspection, United States Coast Guard, DX 51). Drawings showing the proposed alteration (DX 51-B and 51-C) to a combination petroleum and dry cargo barge included a V-shaped wheat sump in the hull which was intended to carry petroleum. The proposal was not approved by the Bureau because there was no cofferdam between the deckhouse and the tanks and between the wheat sump and the tanks (R.T. 401).

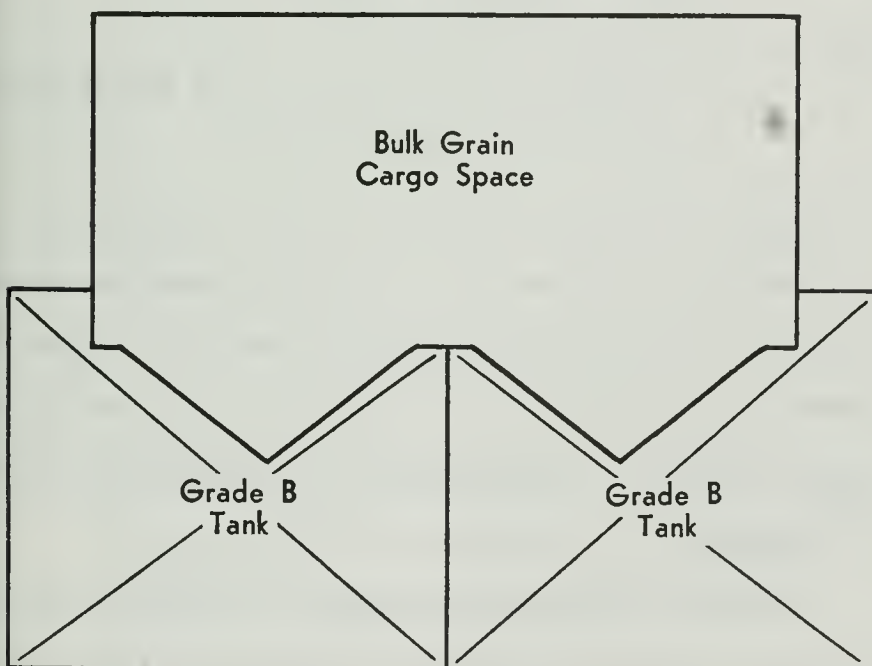
Inventor Pickrell quite candidly testified that the alleged novel feature of his patent is in the shape of the cofferdam (R.T. 108). However, for many years prior to the alleged invention the Coast Guard and its predecessor, the Bureau, had by statutory regulation required a void space between adjoining cargo compartments where such compartment contained Grades A,

B, C or D liquid petroleum products of a low flash point such as gasoline (46 C.F.R. 30.10-13, 32.55-45, 32.60-10, 32.65-15). The inventor knew of these regulations before he conceived his patent (R.T. 109-110) (so found by the trial court (C.T. 130)). No witness testified that any particular engineering or construction problems existed in either designing or constructing the void space. In fact, PATCO takes no issue with the Court's finding in this regard (Br 35-36).

In 1957, more than one year prior to the filing date of the instant patent application, the United States Coast Guard in conjunction with the American Petroleum Institute again took the position that in a combination barge a cofferdam was required to separate the V-shaped grain compartment and the petroleum tanks (Admiral Charles P. Murphy, Chief of the Office of Merchant Marine Safety, Coast Guard Headquarters, DX 76, DX 51-2). Sketches of the submitted 1957 proposal to the Coast Guard are reproduced on the page following.



Sketch 1



Sketch 2

The prior art which appellant concedes is “pertinent to the invention of the Pickrell patent” (Br 8, 9) is:

I. The gravity unloading dry cargo hold art, typified by:

Barge R-76 (DX 37-2, -3, -4)

Barge R-27 (DX 66 and 67)

Barge R-21 (DX 66 and 67)

Patent 2,889,942 (DX 58)

Patent 1,803,105 (PX 6)

Drawings for the “Sinclair-Petrolore” (DX 2)

II. The cofferdam art, typified by:

Barge “Umatilla” (DX 53)

Patent 2,594,930 (PX 6)

The United States Coast Guard Regulations
for Tank Vessels (PX 25)

Barge R-76 (DX 37-2, 37-3, 37-4) was capable of carrying dual cargo, namely, grain and liquid ammonia (R.T. 425). It was also capable of carrying Grade E petroleum products (R.T. 426). It had a V-shaped grain hopper which ran continuously along the major length of the barges.

Barge R-21 (DX 66) was adapted to carry grain in a V-shaped hopper and liquid ammonia in the tanks. All that would have been required for Barge R-21 to

carry petroleum products would have been the strengthening of the tanks (inventor's testimony, R.T. 122).

The Hudson patent 2,594,930 (DX 9) disclosed a dual cargo vessel adapted to carry bulk products and liquid products such as petroleum, although not limited thereto. The Hudson patent discusses in detail the problems of a dual cargo barge and the inventor's solution. It accomplishes substantially everything that Pickrell (the instant inventor) claims is his contribution except that it does not have a continuous cargo space extending substantially the entire length of the vessel. This feature, however, is not Pickrell's contribution as it is clearly disclosed in Barges R-76 and R-21. (The McElheny patent 695,758 (DX 14) (for some reason not listed by appellant), Russell patent 2,889,942 (DX 58)) There is nothing in the Pickrell claims relating to the continuous V-shaped grain hopper open at the top through substantially the length of the barge for ease of unloading (R.T. 458). Cofferdam structures at each end of a barge are found in Henry patent 2,896,416 (DX 23) and in the SINCLAIR PETROLEUM (DX 2).

CHALLENGED FINDINGS OF THE DISTRICT COURT AND APPELLEE'S DESIGNATION OF RECORD REFERENCE SUPPORTING SUCH FINDINGS

The entire thrust of this appeal deals with challenged findings relating to the issue of "obviousness."

For brevity the 16 challenged findings are reproduced in Appendix A. The trial court's opinion (C.T. 132) stated that the agreed facts and the opinion would serve as the court's findings.

While characterizing certain findings as conclusions, appellant ignores the fact that what it now must challenge are findings of fact. The pretrial order (C.T. 108) specified that the following issue of fact, among others, were submitted to the court for determination:

- 1) Is the Pickrell patent valid?

Specific record references to the evidence supporting the findings are as follows:

R.T.	Exhibits
89	DX 2
97	DX 9
106-108	DX 14
109-110	DX 23
122	DX 37-2, -3, -4
242	DX 51
287	DX 51A-D
309	DX 51-2
362-364	DX 53-1
367-369	DX 58
371	DX 66
401	DX 67
406	DX 76

407 PX 1

408

409

412

413

415

425

426

432

437

440

458

467

472

474

475

491-492

496

498

SUMMARY OF ARGUMENT

A) Obviousness

All the witnesses who testified on the subject, the printed exhibits, prior art and United States Coast Guard regulations supported if not compelled the District Court's finding that the differences between the subject matter sought to be patented and the prior art

are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains, 35 USC § 103.

B) Prior Art

Both prior barges of which the inventor and those in concert with him had knowledge, and prior patents support if not compel the finding of no valid invention.

C) Presumption of Validity

The presumption of validity may in a proper case, as it was in this case, be largely dissipated. The District Court's findings were more than adequately supported by the evidence. The District Court did not "overthrow" the presumption but gave it the weight to which it was entitled.

D) Additional Grounds for Affirming the Finding of Invalidity

The inventor, PATCO and those in concert with him did not disclose to the patent office pertinent prior art of which he had direct knowledge and obtained the patent by inequitable conduct.

ARGUMENT

A) Obviousness — 35 USC § 103

PATCO and those actively interested in it, including

Lew Russell, Jr., referred to supra, the interests of the Russell Family, Shaver-Tidewater Barge Lines, Tidewater Barge Lines, North Shore Boat Building, Albany Barge Lines, all located in the Portland-Vancouver area, are under one guise or another direct competitors of Pacific. As early as the barge UMATILLA (1934) when Lew Russell, Jr. assisted Baier in the design of the combination wheat-petroleum barge for the Columbia River, Russell and the interests of his family, who are stockholders of the plaintiff corporation, together with other family interests, knew of the pertinent prior art in the form of the earlier barges actually designed, built for, owned and operated by this group. These barges were the UMATILLA, Barge R-21, R-27 and R-76, and Russell patent 2,889,942 (DX 58) shows the construction of one of the Russell family barges. Mr. Russell assisted in the preparation of the instant patent. His wife is financing the instant litigation (R.T. 496).

The statutory test in determining whether the patent was valid is 35 USC §§ 102 and 103. In this appeal only § 103 is involved. The District Court found it was not.

“Findings of fact shall not be set aside unless clearly erroneous * * *.” (Rule 52 FRCP)

It would be improper, based upon an examination of the patent alone, to have it upheld because to do so

would enjoin Pacific from operating its barges on the Columbia River and its tributaries in interstate commerce as the patent is not an advancement in the arts and sciences for which the constitutional provisions for patent protection were intended to provide. The public interest, protection of the public and the system of free enterprise are paramount considerations over and above personal interests of patent owners or patentees.

The commerce and industry of a large portion of the northwestern United States should not be deleteriously affected by this or any other patent on such an obvious construction which falls into the category referred to by the Supreme Court in a number of cases as being the result of the patent office granting patents on non-meritorious inventions.

When patent claims are drawn to a mere combination of two or more well-known elements, the combination is unpatentable unless the combination produces in some way or manner a surprising or unusual result which would not have been expected by a person having ordinary skill in the art.

Great A. & P. Tea Co. v. Supermarket Equip. Corp.,
(1951) 340 US 147, 71 S Ct 127, 95 L Ed 162.

Oriental Foods v. Chun King Sales, (CA 9 1957) 244
F2d 909.

Graham v. John Deere Co., (1966) 383 US 1, 86 S Ct
684, 14 L Ed 2d 545.

Sinclair & Carroll Co. v. Interchemical Corp., (1945)

325 US 327, 65 S Ct 1143, 89 L Ed 1644, held:

“A long line of cases has held it to be an essential requirement for the validity of a patent that the subject-matter display ‘invention,’ ‘more ingenuity . . . than the work of a mechanic skilled in the art.’ [citing cases] This test is often difficult to apply; but its purpose is clear. Under this test, some substantial innovation is necessary, an innovation for which society is truly indebted to the efforts of the patentee. Whether or not those efforts are of a special kind does not concern us. The primary purpose of our patent system is not reward of the individual but the advancement of the arts and sciences. Its inducement is directed to disclosure of advances in knowledge which will be beneficial to society; it is not a certificate of merit, but an incentive to disclosure. See *Hartford Empire Co. v. United States*, decided Jan. 8, 1945, 323 US 386, 431, ante, 322, 371, 65 S Ct 373. * * *” (325 US at 330-331)

Mercoird Corp. v. Mid-Continent Invest. Co., (1944)

320 US 661, 64 S Ct 268, 88 L Ed 376, held:

“The grant of a patent is the grant of a special privilege ‘to promote the Progress of Science and useful Arts.’ Const. Art. I, § 8. It carries, of course, a right to be free from competition in the practice of the invention. But the limits of the patent are narrowly and strictly confined to the precise terms of the grant. [citing cases] It is the public interest which is dominant in the patent system. [citing cases] It is the protection of the public in a system of free enterprise which alike nullifies a patent where any part of it is invalid [citing cases] and denies to the patentee after issuance the power to use it in such a way as to acquire a monopoly which is not

plainly within the terms of the grant. The necessities or convenience of the patentee do not justify any use of the monopoly of the patent to create another monopoly." (320 US at 665-666)

No genuine issue existed but that the differences between what Pickrell sought to patent and the prior art would have been obvious at the time of the claimed invention to any person having ordinary skill in the art. (§103)

Supporting this bold statement, reference is made to the testimony of all the witnesses who testified on the subject.

Leighton A. Johnson, Chief Engineer for Gunderson Bros. Engineering Corporation, testified (R.T. 426):

"Q Now, Mr. Johnson, before 1958 if you were called upon to convert that barge as shown in Barge 76, Exhibits 37-3 and 37-4, to a combination grain and liquid cargo barge carrying gasoline, what would you have done?

A We would have had to make provision for a cofferdam to comply with the Coast Guard.

Q Where would you have put the cofferdams?

A It would have had to have separated the grain compartment from the bottom tanks.

Q And will you tell us whether or not it would have required any special knowledge or skill on your part to design, build and install those cofferdams?

MR. GILBERTSON: Your Honor, I object to that as quite leading.

THE COURT: It would be an opinion. He may answer.

THE WITNESS: Would you read that back?

(Last question read.)

THE WITNESS: No."

Jess E. Carson, Naval Architect employed by Willamette Iron and Steel Company, testified (R.T. 432):

"Q I am going to ask you if as of, say, 1957, you were called upon in your capacity as a naval architect to design a combination grain and gasoline barge involving a V-shaped hopper for the grain compartment, how would you do it?

A Put a cofferdam below the grain hopper to seal off — to isolate the two compartments.

Q Where would you carry the gasoline?

A In the lower compartment.

Q. As someone in the field of naval architecture, do you have an opinion as to the amount of skill required to design or build or convert such a vessel?

A Any good naval architect would be very capable of doing it."

On cross-examination Mr. Carson stated that in his opinion he did not consider the cofferdam in question a patentable article (R.T. 437).

Robert A. Smith, Consulting Naval Architect to Albina Engine and Machine Works, testified (R.T. 440):

“Q If, say, prior to the year 1958 you were called upon to design a combination grain and gasoline cargo barge employing a V-shaped hopper, with which you have expressed some familiarity, how would you do that? How would you go about it and what would you do?

A Well, where the dry cargo space or the separation between the two spaces extends below the main deck, the rules of the U. S. Coast Guard would require that they be separated by a cofferdam .

Q In what shape would you have designed that cofferdam?

A Well, since the bottom of the grain compartment was V-shaped, it would be logical to be as economical as possible of space and to allow as much space as possible for the oil compartment, making it a V shape, just paralleling the grain structure.”

In addition to these witnesses, Philip F. Spaulding, a professional Naval architect, expressed surprise that a patent had been granted on a barge with a V-shaped cofferdam (R.T. 371), an item “basically so fundamental.” Mr. Spaulding further testified that it would have been obvious to him how to construct a cofferdam to separate the grain and the petroleum products, and provide a V-shaped cofferdam if a V-shaped wheat hopper was used, and further no problems existed that a person skilled in the shipbuilding art could not readily solve, as one undoubtedly would be necessary (R.T. 367-9).

The only patent expert who testified was Mr. George Newitt, produced by Pacific, who also testified in his opinion that the Pickrell patent was invalid in view of Section 103 (R.T. 491-2).

Pickrell, the patentee, admitted that the only difference in his patent over the prior art was a V-shaped cofferdam rather than a V-shaped single plate hopper (R.T. 106-8), and the Court so found. Mr. Pickrell admitted that what he did was merely take the flat, horizontal, traditional double bottom protection area of a barge and bend it up to conform to the shape of the V-shaped wheat compartment (R.T. 89).

PATCO's only witness on the subject of obviousness, Lawrence C. Norgaard, a practicing Naval architect, admitted (R.T. 242):

“Q Would you have any difficulty, as a man skilled in the shipbuilding field, in making a cofferdam, making a single-wall construction into a cofferdam by adding another wall and making it a void space?

A He might.

Q Any more than would be within the ordinary skill of such a person?

A No.”

Aside from the testimony of all witnesses on the issue of obviousness and quite aside from the prior art

introduced by Pacific, which will be discussed presently, the Coast Guard records in themselves demonstrate the obviousness of Pickrell's design.

In 1934 L. S. Baier, who was designing a barge for Shaver-Tidewater in conjunction with Lew Russell, Jr., was required by the Bureau to enlarge the cofferdam already provided in his drawings in the combination grain and petroleum barge UMATILLA. Later in 1941 Inland Navigation Company submitted plans to the Bureau for conversion of a combination grain and petroleum barge. The contemplated barge had a V-shaped wheat sump. The wheat was to be carried above and the petroleum products below. These plans were not approved and the barge was not built as the Bureau insisted upon a cofferdam between the grain compartment sump and the petroleum tanks (R.T. 287, 401).

In 1957 the Coast Guard in conjunction with the American Petroleum Institute again took the position that a V-shaped grain compartment had to be separated from the petroleum tanks of a combination barge by a cofferdam (R.T. 309).

In summary, with respect to the question of invalidity of the claims in issue of the Pickrell patent, all witnesses called by both parties agreed that what Pickrell patented would be obvious to one skilled in the art. Therefore, on the broad question of law, that is, the

applicability of Section 103 and without the necessity of the application of any further prior art, the Pickrell claims in issue are invalid. The Court's findings of invalidity should be upheld.

As noted by the District Court (C.T. 127-128) (which had full opportunity to judge the credibility of the witnesses) if the Pickrell device of a V-shaped cofferdam involved unique or unusual problems of engineering or construction, which it solved, experts would have been called to so testify. No one did.

B) Prior Art

Although no single piece of prior art, including publications or prior public uses, disclosed a V-shaped cofferdam in a dual cargo vessel, to modify single pieces of prior art, such as the UMATILLA (DX 53-1) or the Hudson patent (DX 9), would be obvious without the combining of other prior art references. As a matter of law, prior art references may be and are combined by the patent office and courts in many instances in order to reject, anticipate or invalidate claims on the basis that it would not require any more than ordinary skill to combine them.

For example, in the case of *Canadian Ingersoll-Rand Co. v. Peterson Prod. of San Mateo*, (DC ND Cal 1963) 223 F Supp 803, modified on other grounds 350 F2d 18, the court stated:

“The combining of two or more references for the purpose of showing obviousness is not only allowable but quite common. *Griffith Rubber Mills v. Hoffar*, 313 F.2d 1, 5 (9th Cir. 1963).” (223 F Supp at 812)

Canadian Ingersoll-Rand is authority for many of Pacific’s contentions with respect to obviousness. For example, the District Court quoted *Griffith Rubber Mills v. Hoffar*, (CA 9 1963) 313 F2d 1, which should be the controlling law.

“It follows that though a device may be new and useful it is not patentable if it consists of no more than a combination of ideas which are drawn from the existing fund of public knowledge, and which produces results that would be expected by one skilled in the art. A public grant of the private power to exclude others from making, using, and selling such a device simply ‘withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men.’ No balancing public benefit results from such a patent since the fund of freely available public knowledge is reduced during the period of monopoly, and is only restored rather than enhanced when that period ends.

* * * * *

“Although no single one of the elements of the total prior knowledge embraced the whole of Hoffar’s muffler, we think the difference between their sum and Hoffar’s combination of them was unsubstantial and that his advance must be held to have been an obvious one to a person skilled in this art.

“There was no objective evidence that the combination was less obvious than it appears. There was

no showing that Hoffar's muffler dealt with a problem which had concerned the industry over a substantial period and which others had sought to solve without success. *So far as was shown, Hoffar was the first to make an all-elastomer muffler with a slit-baffle wall only because he was the first skilled in the art who directed his attention to the problem of creating an effective muffler that would not corrode.*" (313 F2d at 3-6; emphasis added)

Although Pickrell may have been the first to make a V-shaped cofferdam for combination grain and Grades A, B, C and D petroleum product barge for use on the deepened Columbia River, he could have been the first one in this area to direct his attention to the problem of building such a barge after sufficient water was available (although the 1957 submission to the Coast Guard belies even this statement).

The barge UMATILLA, which concededly was in operation on the Columbia River and its tributaries long prior to the conception of the Pickrell patent, was a combination petroleum and grain barge which carried diesel oil and grain and also gasoline and grain. The grain was carried in an upper cargo space with the petroleum products in lower tanks (R.T. 407). The upper cargo space and the lower tanks were separated by a horizontal cofferdam (R.T. 409). The cofferdam as originally designed by L. S. Baier for PATCO's predecessor was

modified in order to increase the height of the cofferdam because the Coast Guard required it so that access could be obtained thereto (R.T. 415). Such access was obtained by the provision of manhole covers at the ends of the coffer (R.T. 409).

Mr. Baier testified that the reason the UMATILLA was not designed with a V-shaped wheat cargo space with a cofferdam was because of the controlling depths of the water in the Columbia River (R. T. 412).

All river people since that time—1934—have been looking forward to the development of bigger barges as soon as the dams were installed in the Columbia River (Pickrell, R.T. 97).

Both Spaulding (R. T. 368) and Newitt (R.T. 472, 474, 475) testified that, in their opinion, it would not involve invention to bend the cofferdam of the UMATILLA downwardly at the center to provide a V-shaped cofferdam if a V-shaped grain hopper was desired. Therefore, it is reiterated that without combining any reference with the UMATILLA it is a complete anticipation of the claims of the Pickrell patent in issue. The mere addition of transverse fore and aft bulkheads or a cofferdammed wheat sump in some of the claims do not lend patentability to them if the broad concept of the V-shaped cofferdam was obvious, as it was.

The prior art Barge R-76 was delivered on Decem-

ber 23, 1957 (R.T. 425). It was capable of carrying dual cargo, namely, grain and liquid ammonia (R.T. 425). It was also capable of carrying Grade E petroleum products according to Johnson's testimony (R.T. 426). It had a V-shaped grain hopper which ran continuously along the major length of the barge. Since it was delivered approximately December 23, 1957, it is a statutory bar with respect to the Pickrell patent which was filed more than one year thereafter, namely, on April 6, 1959.

It would not involve invention to combine the teachings of the barges UMATILLA and R-76 (R.T. 474). Either the UMATILLA could be modified without invention by making the wheat hopper a V-shape, or the R-76 could be modified if it was desired to carry Grades A, B, C or D petroleum products by making a V-shaped cofferdam in view of the UMATILLA. Smith testified at R.T. 440, referring to the obviousness of the V-shaped cofferdam:

"Q In what shape would you have designed that cofferdam?

A Well, since the bottom of the grain compartment was V-shaped, it would be logical to be as economical as possible of space and to allow as much space as possible for the oil compartment, making it a V shape, just paralleling the grain structure."

As we have already noted, PATCO concedes that there were no engineering or construction problems pre-

sented by the Pickrell device (Br 35-6). The claims in issue of the Pickrell patent were anticipated by the combination of the prior uses of the barges UMATILLA and R-76.

The same thing is true of the combination of the UMATILLA and the Barge R-21 (R.T. 475), a Russell Family barge which was delivered to Tidewater Barge Lines on July 3, 1957 (R.T. 498). This, when delivered on July 3, 1957, was adapted to carry grain in a V-shaped hopper and liquid ammonia (DX 66 and 67). All that would have been required on Barge R-21 to carry petroleum products would have been strengthening of the tanks (Pickrell, R.T. 122).

It is also possible to combine the teachings of the barge UMATILLA with the Russell patent (DX 58), which also shows a continuous V-shaped single plate hopper for the grain compartment (R.T. 475).

The Hudson patent (No. 2,594,930, DX 9) was cited by the Examiner but was not used to reject the claims but was referred to merely as "Pertinent Art" as distinguished from "References Applied" (R.T. 467). It was not used by the Examiner to reject claims on the cofferdam feature, although another patent the Examiner cited, namely, Henry 2, 896,416, DX 23, did show transverse cofferdams.

The Hudson patent discloses a dual cargo barge

which is adapted to carry bulk products and liquid products, such as petroleum, although not limited thereto. The Hudson patent discusses the problems of a dual cargo barge and Hudson's solution, the same problems and solutions referred to in Pickrell's patent specifications (PX 1). It accomplishes functionally everything that Pickrell accomplishes except it does not have a continuous cargo space extending substantially the length of the barge. However, this feature is obviously not Pickrell's invention, being clearly disclosed in Barges R-76, R-21, Russell patent and in McElheny patent 695,758, DX 14. It is to be noted that there is nothing in the Pickrell claims relating to the continuous V-shaped grain hopper open at the top throughout substantially the length of the barge for ease of unloading (R.T. 458).

It would be obvious to bend the vertical or U-shaped cofferdam of Hudson inwardly to form a V-shaped grain cargo space if it was desired to do that for quick unloading without combining Hudson with any other references (R.T. 368).

Also, Hudson may be combined with the prior art R-76 or R-21 barges or with the Russell patent, DX 58, without involving invention. All of these references disclose a continuously open V-shaped grain cargo hopper (R.T. 474).

Cofferdamming the grain collection pit which is referred to in claim 6 would not require invention in view of the requirements for a cofferdam to separate the collection pit space and the liquid cargo space (R.T. 475) and would be obvious as necessary, particularly in view of the Coast Guard correspondence in 1942 in which the Coast Guard advised Pacific's predecessor that a cofferdam would be required for a grain collection pit if Grades A, B, C or D petroleum products were to be carried in the barge, which was then being considered for modification (Joyce deposition, DX 51, DX 51A-D).

The addition of cofferdam structures at each end of the barge, referred to in claim 8, would not be obvious in view of Henry 2,896,416, DX 23, or the SINCLAIR PETROLEUM shown in "Marine Engineering Log" for April 1956, pages 96 and 97, DX 2 (R.T. 362-4).

In summary, therefore, the claims in issue are invalid in view of the UMATILLA taken alone, the Hudson patent taken alone, or either of these references which combine readily with the Russell Family barges referred to or the Russell patent.

(1) The entire oral testimony, (2) the Coast Guard records or (3) the prior art establish the obviousness of what is claimed to have been an invention. PATCO's cry of hindsight is not substantiated because, first, no one so testified and, secondly, all the witnesses who gave

opinion testimony on obviousness related their opinion to 1958 and 1957 and earlier, long before the statutory one year period immediately preceding the filing date of the original patent application.

There was no long-felt need incapable of fulfillment as presented to this Court in *Twentier's Research, Inc. v. Hollister Incorporated*, (CA 9 1963) 319 F2d 898. Both Tidewater's and Pacific's predecessors knew exactly what to do and how to do it. What they were both waiting for was the completion of the earlier projected plans for deepening the Columbia River by the recent series of dams. A clearly known unpatentable combination cannot be made patentable by commercial success or the existence of a long-felt need if indeed one existed in the matter of the combination barges. *Bentley v. Sunset House Distributing Corp.*, (CA 9 1966) 359 F2d 140.

The District Court's ruling of obviousness was not solely based upon the uncontradicted oral testimony but upon the clear mandate of *Graham v. John Deere Co.*, (1966) 383 US 1, 86 S Ct 684, 15 L Ed 2d 545. As this Court held in *Bentley*, following *Graham*:

“In assessing the patentability of combination patents, we are to apply a ‘severe test,’ whether ‘the whole in some way exceeds the sum of its parts’ to produce ‘unusual or surprising consequences from the unification of the elements * * *,’ *Great A. & P. Tea Co. v. Supermarket Equipment Co.*, 1950, 340 U.S. 147, at 152, 71 S.Ct. 127, at 130, 95 L.Ed. 162. But that unification here produces only the obvious.

Meat molds had previously been produced, the only unusual feature in this combination is its vents. Vents had been used for similar purposes in other food molds, and their use in this meatball mold is no more ingenious than would be expected of 'a person having ordinary skill in the art,' 35 U.S.C. § 103. We do not regard this combination to be less obvious than many which we have previously held unpatentable, [citing cases]." (359 F2d at 144)

C) Presumption of Validity

PATCO's criticism of the Court's finding in view of the asserted "presumption of validity" (Br 41) is unfounded for this Court has recently held in *Bentley*:

"* * * Nor does the presumption of validity created by the action of the Patent Office. That presumption in any case 'has been in recent years almost reduced to nullity in patent cases.' [citing cases] * * *" (359 F2d at 146)

The District Court, as did this Court in *Bentley*, properly interpreted *Graham*:

" '[U]nless more ingenuity and skill . . . were required than were possessed by an ordinary mechanic acquainted with the business, there was an absence of that degree of skill and ingenuity which constitute essential elements of every invention. In other words, the improvement is the work of a skilled mechanic, not that of the inventor.' At p. 267, 13 L ed at p. 691." (15 L Ed 2d at 553)

Not only has this Circuit in *Bentley*, supra, but the Eighth Circuit in *Kell-Dot Industries, Inc. v. Graves*, (CA 8 1966) 361 F2d 25, and the Fifth Circuit in *Zero Manufacturing Co. v. Mississippi Milk Pro. Ass'n*, (CA 5 1966) 358 F2d 853, so held.⁴ Appellant's contentions are effectually refuted in another Eighth Circuit case (following *Graham*): *American Infra-Red Radiant Co., Inc. et al v. Lambert Industries Inc., et al*, (CA 8 1966) 360 F2d 977, which disposes of all issues in this appeal.

Bentley pointed out that where the patent office had not considered pertinent prior art now before the Court, as is true in the present case, the presumption of validity is largely dissipated and cited earlier Ninth Circuit cases to this effect. The presumption of validity is seriously weakened where the patent office has not considered pertinent prior art. See *Zero Manufacturing Co. v. Mississippi Milk Pro. Ass'n*, supra. The fact that one may be the first skilled in the art who actually produced the art is not tantamount to a patented invention.

While criticizing the District Court for not considering the Pickrell patent "as a whole", PATCO overlooks the fact that the District Court did correctly apply the statutory Section 103 criteria.

"Defendant argues that the subject matter of Pickrell and the prior art, including the Coast Guard Regulations was such that the subject matter as a

4. Petitions for certiorari have been filed in *Kell-Dot* and *Zero*.

whole would have been obvious at the time the invention, to a person having ordinary skill in the art to which said subject matter pertained. I agree.” (C.T. 123)

Yet PATCO “takes no issue with the District Court’s conclusion regarding the problems of engineering or construction presented by the Pickrell device * * *.” (Br 35-6)

Twentier’s Research, Inc. v. Hollister Incorporated, supra, upon which PATCO relies, is not in point because there the problem of patient identification in hospitals had existed for many years. A number of solutions had been tried and disregarded, and a fact finding board for hospitals had been established which had rejected all other identification devices and found that the patented device was the only satisfactory device where none of the prior devices did. That situation does not exist here since there were no other dual cargo vessels on the Columbia River which had been tried and rejected. Here there was no problem to be solved nor long felt need to be fulfilled. When the water carriers were able to make larger barges with greater draft to carry dry cargo and Grades A, B, C and D petroleum products, the way to do it was obvious. The way to accomplish this was suggested in 1934, 1941, 1942 and 1957. All that remained was a deeper draft in the Columbia River.

D) Additional Grounds for Affirming the Finding of Invalidity

Lew Russell, Jr., the Russell Family interests and Tidewater Barge Lines knew of the pertinent prior art in the form of earlier barges actually designed, built for, owned and operated by this group. These were not brought to the attention of the patent office during the prosecution of the Pickrell patent. These barges were the UMATILLA, Tidewater Shaver Barges R-21, R-27, R-76, Russell patent 2,889,942 (DX 58). Nor were the Coast Guard Regulations requiring a cofferdam (R.T. 110).

While it is true that there was no absolute requirement that pertinent prior art be brought to the Examiner's attention when he does not know of his own knowledge or it is not in publication, there is a strong moral responsibility to advise the patent office of such prior art, particularly when those interested in the patent are in direct economic competition with others operating barges on the Columbia River. If the patent office had been informed of this prior art or had the applicability of the Coast Guard regulations been discussed with the Examiner, the chances are that no patent would ever have been issued to Pickrell.

The equity in this case between PATCO and those in alliance with it, being Pacific's competitors on the Co-

lumbia River, demonstrate inequitable procurement of the patent and the necessary removal of the patent granted by reason thereof.

Here PATCO and those in concert with it obtained the patent without a full, above-board disclosure of prior art known to those who attempt to collect damages from and to enjoin Pacific from operating its barges on the river. In *Walker Process Equip. v. Food Mach. Chem. Corp.*, (1965) 382 US 172, 86 S Ct 347, 15 L Ed 2d 247⁵ it is said:

“* * * At the same time, we have recognized that an injured party may attack the misuse of patent rights. See, e.g., *Mercoind Co. v. Mid-Continent Investment Co.*, 320 US 661, 88 L ed 376, 64 S Ct 268 (1944). To permit recovery of treble damages for the fraudulent procurement of the patent coupled with violations of § 2 accords with these long recognized procedures. It would also promote the purposes so well expressed in *Precision Instruments*, supra, 324 US at 816, 89 L ed at 1387.

“‘A patent by its very nature is affected with a public interest . . . [I]t is an exception to the general rule against monopolies and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from back-grounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope.’” (15 L Ed 2d at 251)

⁵ ~~Continuerich has recently been denied in the Walker Process case.~~

Actually Pacific has been put to great expense and trouble in defending a suit involving a patent which should never have been issued. "Misuse" is clearly involved which renders the Pickrell patent unenforceable.

The lower court in its opinion stated that "my sympathies are entirely with the plaintiff's position." (C.T. 132) In the light of this statement it must be concluded that the District Court was extremely careful and meticulous in making its findings that the claims of the patent in suit were invalid because the subject matter was obvious and therefore did not meet the requirements of Section 103 of the patent statutes.

CONCLUSION

All the evidence, written and oral, independent of or considered with the prior art and federal regulations, support the findings of obviousness.

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